Exhibit 3

RHODES CAPITAL GROUP LIMITED

Ms. Lily Cates 22 December 1989

[REDACTED]

Dear Lily:

I am indeed pleased to enclose our first six month financial report for Rhodes Capital Group Limited.

We think there is considerable reason for you to be encouraged and pleased with the results so far, which are very satisfactorily tracking the original business plan you reviewed in the company's Private Placement Memorandum.

Please read the report at your leisure. I will discuss it with you after you have a chance to review it. I'll be in New York around 15th January.

It is a great pleasure for us to have you as a shareholder in a venture which continues to give us every reason for optimism.

Gary and I wish you a very, very merry Christmas and a happy and prosperous New Year.

Sincerely yours,

Albert

Albert W. Vilar

Encs.

DEFENDANT'S EXHIBIT
J
Franks Hrg. 11-15-06
PENGAD 800-631-6989

LC-00509

17A CURZON STREET, LONDON W1Y 7FE

RHODES CAPITAL GROUP LIMITED

FINANCIAL REPORT

SIX MONTHS

ENDING

30 SEPTEMBER 1989

Dear Shareholder:

Rhodes Capital Group Limited was funded in February 1989 with approximately $448 million in assets available for investment. The initial assets were approximately one-third cash and cash equivalents (money market instruments and certificates of deposit) and the remainder in bonds. Over the next several weeks our principal activity was to prepare for our targeted 1st April operational start date by advantageously timing bond sales and by adjusting maturities in a wide spectrum of debt and money market securities.

The firm achieved favorable revenue and earnings levels during its first six months of operations aided by a good economic climate and strong financial markets. As the in-house strategy called for significant exposure in equities, we were hindered by the firmness of the up-trend in the equity markets which presented us with few pullbacks of substance in which to deploy our assets. We still managed a 62% equity exposure in our portfolios by 30th September.

With a date of 1st April 1989 for official commencement of the company's investment operations reflecting the first equity purchases on 6th April 1989, revenues for the first six months were $5,393,532. Expenses during the same period totalled $594,000, which left a profit after provision for taxes of $4,590,232. Revenue figures only include management fees, since incentive fees, which are not accrued, are only assessed on an annual basis in arrears.

The revenue and income figures for the first six months fell well within the range set out in the company's pro-forma forecast in its initial business plan. The basic assumption most critical to the realization of the first six months profit, which was the anticipated gain in the stock market, came in ahead of expectations. The business plan had called for a 15% gain in the market for the entire first year. This also offers the prospect of achieving the incentive fee assumptions that went into our business plan for the first year. Management continues to feel confident that the initial profit projections made for the company's first year of operations remain valid.

Management was busy during the past six months putting the pieces into place for a solid future on which to build and expand. The offices Rhodes will share with Amerindo in San Francisco and Miami underwent extensive expansion, principally to accommodate staff additions for both firms. Entirely new premises, considerably larger than London, have been leased and will be occupied after completion of refurbishments in the first quarter of 1990 in San Francisco.

Provisional space was sublet in New York City at 277 Park Avenue. As of this writing, the company is in negotiation for permanent spaçe in the new Wang building at 48th Street and Third Avenue in Manhattan. Mr. Francis Saldutti, who had been Director of Equity Research at the Gartner Group and L.F. Rothschild, joined the firm as Director of Equity Investment Research. We anticipate a second senior security analyst will join that office early next year to cover the health, medical devices and biotechnology fields.

Our registered broker-dealer operation located in Miami expanded significantly throughout 1989. This office offers Rhodes the ability to recapture some of its own execution commission business, plus trade at lower commission levels than may prevail at other brokerage firms. Our broker-dealer is not encumbered by the type of costly research overhead that virtually all other firms that specialize in over-the-counter stocks have, and can thus execute trades at minimum cost.

Rhodes' affiliated investment advisor, Amerindo, enjoyed excellent marketing and performance results so far this year. It signed up several large U.S. and U.K. pension funds following long, nationally advertised investment manager searches. New institutional clients include Corning Inc., Coors, City of Houston, the Charles Stewart Mott Foundation, Ciba-Geigy, The Budd Company and Knightsbridge Integrated Holdings. We also had the opportunity to travel to Japan to address about a dozen of the largest companies in the country on investing in U.S. technology, principally biotechnology. There appear to be above average prospects of structuring a joint venture with one or more large Japanese institutions in 1990 that should reap favorable financial and public relations benefits to Amerindo and to Rhodes. We believe this will add considerably to Rhodes' credibility when it begins to market under its own name in 1991.

The financial markets were robust during the middle six months of 1989. The U.S. equity market advance was broad-based, with most industry groups participating in the rally. Smaller company growth stocks turned in encouraging performances, both relative to the overall market and to their returns of recent years. Whereas emerging technology shares lagged the market, emerging biotechnology shares retained their upward momentum from their recovery move earlier in the year.

Although the 190 point decline in the Dow Jones Average occurred after the end of Rhodes' first six month period on 13th October, a drop of that magnitude bears mention. We attach a piece we produced internally right after the crash that served to reaffirm our constructive outlook for the next several years.

We continue to believe that the following key macro strategic factors, which depict a continuation of the "muddle-through" economy we have anticipated for some time, will ultimately favor our specialty emerging growth stock sector. Because of the long seven year duration of the ongoing economic cycle, we believe that investors are now unduly focusing on actual and impending negatives in a futile effort to pinpoint the next recession - well before it actually materializes.

1. The next move in interest rates could well be down. This would be due to strength of the dollar, rolling softness in the economy (housing, autos, defense) and the prolonged tightness of monetary policy over a considerable period of time.

2. Another quarter of deterioration in corporate earnings is in store. This should be ultimately offset by a decent rise in earnings next year. It also favors our sector enormously, which is showing strong relative earnings gains.

3. Inflation remains under control. A resurgence next year, widely predicted by many, is not very likely at all. This is a definite plus for the economy, and for all financial assets.

4. Other "strategic" factors continue to play favorably on the market. These include a likely cut in the capital gains tax; further reduction in the twin deficits; political developments around the world implicitly promoting capitalism while reducing tension. Lastly, demand-supply forces favor equities, namely a) the damage in the junk bond market, b) likely shifts out of money market funds into equities owing to lower interest rates, c) continued shrinkage in equity supply.

5. We believe that our specialty sector is in a major new bull market that should outperform the major indices over the next three to five years. Technology oriented emerging growth stocks, as measured by the Hambrecht & Quist Growth Index, should double over the next several years as they achieve exceptionally strong earnings performance relative to corporate America. Valuations of technology stocks are about the cheapest they have been in almost three decades. Price earnings ratios of emerging growth stocks relative to the broad market have only been this cheap twice in the last 30 years. The last six years of underperformance for this sector is likely to unfold dramatically now into an extended period of overperformance.

6. We have the opportunity to participate directly in the most important scientific breakthrough that will be commercialized over the balance of this century, namely biotechnology. The U.S. Government's Office of Technology Assessment estimates that sales of genetically engineered drugs and therapeutics could reach $40-$50 billion by the year 2000, which compares to current revenues of just under $1 billion. By the year 2000, when the healthcare sector likely represents a good 20% of the U.S. economy, revenues of biotechnology products could be comparable to the total revenues of the present drug industry. Biotechnology has 100 different therapeutic and diagnostic products in clinical trials for 400 different illnesses. We expect about two-thirds of these products to be approved in the next one to four years.

7. Electronic technology stands to benefit over the next several years by being where the action is in the economy. The two strongest sectors of the economy are likely to continue to be capital spending and exports, three-quarters of which is made up of technology.

We remain constructive about our prospects for the balance of our fiscal year. We expect to end our first year with competitive performance that will enable us to market aggressively for new accounts in 1990-91.

Sincerely yours,

Albert W. Vilar

24 November 1989

Rhodes Capital Group Limited

ASSETS UNDER MANAGEMENT (000)

30 September 1989

Cash and Cash Equivalents (24.1%)	$120,832
Bonds (14.2%)	71,195
Equities (61.7%)	309,851
Total Assets	$501,878

Rhodes Capital Group Limited

SIX MONTH SUMMARY STATEMENT OF INCOME (UNAUDITED)

		Six months Ended 30 September 1989
Revenues		
Investment Advisory Fees	$4,656,700	
Interest Income	6,000	
Trading Gains	136,832	
Expense Reimbursement	594,600	
		5,393,532
Expenses		
Compensation and related costs	386,100	
Administrative and general	207,900	
		594,000
Income Before Taxes		4,799,532
Provision for Income Taxes		209,300
Net Income		$4,590,232

Rhodes Capital Group Limited

SUMMARY STATEMENT OF FINANCIAL CONDITION (UNAUDITED)

Six Months Ended 30 September 1989

Assets		**Liabilities and Capital**	
Cash and Short Term Investments	$ 735,533	Accounts Payable and Accrual Expenses	$ 23,600
Investment Securities at Market Value	1,717,899	Provision for Taxes	209,300
Accounts Receivable	2,794,000	Total Liabilities	232,900
		Capital (100 shares @ $1 par value)	100
Furniture, Equipment & Leasehold Improvements, Net	75,800	Paid in Surplus	500,000
		Retained Earnings	4,590,232
Total Assets	$5,323,232	Total Liabilities and Capital	$5,323,232

LC-00514